

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6300

BILL NUMBER: HB 1419

NOTE PREPARED: Nov 16, 2006

BILL AMENDED:

SUBJECT: Alcohol Displays in Retail Stores.

FIRST AUTHOR: Rep. Burton

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill requires a holder of a liquor dealer permit who is the proprietor of a drug store or another retail business to display liquor in a room or partitioned area that is separate from other retail items for sale.

Effective Date: July 1, 2007.

Explanation of State Expenditures: This bill may increase the enforcement cost of the Excise Police of the Alcohol and Tobacco Commission (ATC). The impact will ultimately depend upon the number of inspections and inquiries the Excise Police conduct concerning possible violations by a drug store or retail business in displaying liquor.

Explanation of State Revenues: This bill requires a holder of a liquor dealer permit who is the proprietor of a drug store or another retail business to display liquor in a room or partitioned area that is separate from other retail items for sale. According to the ATC there are approximately 1,624 liquor dealer permits which have been issued to either a drug store or retail business as of October 2006. The fiscal impact of this bill will ultimately depend on the extent the provisions of this bill affect liquor sales.

Liquor sales changes will affect collections of both liquor excise tax and the Sales Tax. Liquor is taxed at a rate of \$2.68 per gallon, and the revenue is distributed as follows: \$1.00 to the state General Fund; \$1.17 to the Post War Construction Fund; \$0.11 to the ATC Enforcement and Administration Fund; \$0.34 to the Pension Relief Fund; and \$0.06 to the Addiction Services Fund. Sales Tax revenue is deposited in the: Property Tax Replacement Fund (50%), the state General Fund (49.192%), the Public Mass Transportation Fund (0.635%), the Commuter Rail Service Fund (0.14%), and the Industrial Rail Service Fund (0.033%).

Explanation of Local Expenditures:

Explanation of Local Revenues: See *Explanation of State Revenues*.

State Agencies Affected: Alcohol and Tobacco Commission.

Local Agencies Affected:

Information Sources: Vicki Stephens, Controller, Alcohol and Tobacco Commission, 317-232-2436.

Fiscal Analyst: Adam Brown, 317-232-9854.